CHAPTER - 3

COMPANY PROFILE OF AIRTEL
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PROFILE OF AIRTEL COMPANY

INTRODUCTION

Airtel’s fundamental focus remains on seeking out the best technology in the world and put it at the service of ultimate user or customer. Innovation is what separates leaders from followers, so Bharti Airtel from its competitors. Innovation that sets industry standards, raises the service bar, creates new paradigms, simplifies customer’s lives and sets them free to express themselves.

From the very beginning of its existence, Bharti Airtel has been the leader of change in India’s dynamic telecommunication space. This would not have been possible without passion for innovation. Their products, services, processes—all are guided by a desire to do things differently and better, as is evidenced by its customer self-care and single billing platform. Its innovation aims at enriching every aspect of customer’s lives—to educate, entertains, inform, update and stimulus. State of the art services like life time prepaid, RC 200, Easy Music, Airtel live stock ticker – to name just a few have distinguished Airtel from other competitors while ensuring better and exciting future for customer and for the country. Change is the only constant. One can either be part of it or lead it. Airtel is committed to leading change through constant innovation.
VISION OF THE ORGANISATION:

“To make mobile communication a way of life and be the customer first choice”,

MISSION OF THE ORGANISATION:
The company will meet the mobile communication needs of its customers through:

➢ Error-free services delivery
➢ Innovation products and service
➢ Cost efficiency
➢ Unified messaging solutions
➢ Brand Identity.

INNOVATION:

Ever since its inception, Bharti Airtel has been driving change and innovation within the company as well as at industry level. This would not have been possible without a passion for innovation. In its quest for customer delight, it continuously seeks opportunities to think ahead to consider alternatives to the old ways of working and above all to try to anticipate what will make a genuine difference to customers.

Airtel Mobile service has over 20 million customers and is adding more than a million customers every month. It has over 70 million voice contacts with its customers and some 5 million non-voice contacts. Managing such a large volume of business is challenging that requires expertise and best in class practices. It has,
therefore, collaborated with 4 world-class BPOs who are able to provide a consistent high quality customer experience. It has also introduced a number of service products that provide customers freedom and choice in the management of their account with the company such as self-care and billing system, single call centre number, device manager, wireless broadband access etc.,

BHARTI TELE VENTURES LIMITED:

Bharti Tele - Ventures Limited was incorporated on July 7, 1995 for promoting investments in telecommunications services. Its subsidiaries operate telecom service across India. Bharti Tele – Ventures is one of India’s leading private sector providers of telecommunications service based on a strong customer base consisting of approximately 9.83 million total customers which constitute approximately 9.06 million mobile and approximately 7,76,000 fixed line customers. The strength behind Airtel is the Bharti Group, a telecom giant – the biggest private integrated telecom conglomerate based in India, with a net worth exceeding US$ 1 billion.

Bharti Enterprises has been at the forefront of technology and has revolutionized telecommunication with its excellent products and services. Established in 1978, Bharti has been a pioneering force in the telecom sector with many firsts and innovations to its credit. Bharti has many joint ventures with world leaders like Singtel (Singapore Telecom); Warburg Pincus (USA), Telia (Sweden) Asian
Infrastructure Fund (Mauritius) International Finance Corporation and New York Life International USA.

Bharti also manufactures and exports telephone terminals and cordless phones. Apart from being largest manufacturer of telephone instruments in India, it is also the first company to export its products to the USA. Bharti’s partners in Airtel are Emtel, the premier GSM operator in Mauritius, some private investors and the Government of Seychelles. The Bharti Tele Venture has developed the following strategies to achieve its objectives.

- Focus on maximizing revenue and margins.
- Capture maximizing telecommunications revenue potential with minimum geographical coverage.
- Focus of satisfying and retaining customers by ensuring high-level customer satisfaction.
- Emphasis on human resource development to achieve operational efficiencies.

**Bharti tele-ventures current business includes:**
Mobile service, fixed line, national and international long distance service, VSAT, Internet service and network solutions. Bharti tele-venture is India’s leading private sector provider of telecommunication service based on its strong customer base consisting 8.28 million mobile. The company provides service to its customers by seeking out the best technologies in the world.
ORIGIN

Airtel comes from Bharti Enterprises Ltd., a part of the biggest private integrated telecom conglomerate Bharti enterprises. Airtel was established due to the demand created in the mobile industry.

Airtel offers consumers a vibrant world of unlimited opportunities not just through words but ideas, emotions and feelings and an unlimited freedom and to reach out in a special way.

ORGANISATION STRUCTURE:

As an outcome of a restructuring exercise conducted with the company a new integrated organizational structure has emerged with realigned roles, responsibilities and reporting relationships of Bharti’s key team players with effect form March 01, 2006 is unified Management structure of one Airtel will enable continued improvement in the deliver of the Group strategic vision.

Fig 3.1

BHARTI AIRTEL ORGANISATION STRUCTURE

Chariman & MD
Sunil Bharti Mittal

President & CEO
Manoj Kohli

President Mobile Services
Sanjay Kapoor

President Tele Media Services
Atul Bindal

President Enterprises Services
Atul Bindal

Director Customer Services
Carol Borghea

Director Supply chain
Sanjay Kapoor

Director Marketing & Communication
Gopal Vittal

Director Human Resources
Kris Shanakar

Director Customer Services & IT
Jain Monon

Director Technology
Don Price

Director Legal & Regulatory
Narendra Gupta

CEO & Director Strategy
Sarvjit Dhillion
Fig. 3.2
HIERARCHY OF BHARTI AIRTEL

Chairman & MD
Sunil Bharti Mittal

President &
CEO
Mangal Kohli

President &
CEO
Nail Kohli

President
Mobile
Services
Sanjay Kapoor

President
Toll Media
Services
Atul Bhardwaj

President
Enterprises
Services
David Nisha Bhat

Director
Customer
Services
Carol Borghes

Director
Customer
Services
Bharat

Director
Supply
Chain
S. Asokan

Director
Marketing
&
Communication

Director
Human
Resources
Kris Shanks

Director
Technology
Don Price

Director
Legal &
Regulatory
Narendra Gupta

CEO &
Director
Strategy
Sarjit Dhillon
Table 3.1

Comparative Revenue Market Share (%) 2007 – 2008

<table>
<thead>
<tr>
<th></th>
<th>Dec 07</th>
<th>March 08</th>
<th>June 08</th>
<th>Sep 08</th>
</tr>
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<tbody>
<tr>
<td>Bharti Airtel</td>
<td>29.8</td>
<td>29.9</td>
<td>31.2</td>
<td>32.7</td>
</tr>
<tr>
<td>Vodafone Essar</td>
<td>18.5</td>
<td>19.1</td>
<td>19.7</td>
<td>19.6</td>
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<tr>
<td>Reliance Comm.</td>
<td>15.0</td>
<td>13.0</td>
<td>13.5</td>
<td>12.4</td>
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<tr>
<td>BSNL</td>
<td>14.1</td>
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<td>11.7</td>
<td>11.4</td>
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<tr>
<td>Idea</td>
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<tr>
<td>Others</td>
<td>14.4</td>
<td>14.0</td>
<td>14.4</td>
<td>13.8</td>
</tr>
</tbody>
</table>

Bharti Airtel has been able to sustain highest revenue across India in line with its share increase in subscriber market share in 2008, Bharti’s biggest revenue market share gain came from circles Rajasthan, Bihar, A.P, Karnataka, & Tamil Nadu.

It is interesting to note that Airtel could generate 80 per cent of its total revenue from the cellular market operations by the end of December 2007.

**Pre-paid segment**

Monthly churn for the pre-paid segment was reduced to 3.9 per cent a month in 2007 from 4.8 per cent in the previous year. Revenues from both SMS and other non-voice applications declined to 4.4 per cent and 9.3 per cent respectively. During 2006, the two services accounted for 6.2 per cent and 10.4 per cent of the mobile revenues respectively.
Table 3.2
Bharti Airtel Customer Base

<table>
<thead>
<tr>
<th>Years (Quarterly)</th>
<th>Pre-Paid</th>
<th>Post-Paid</th>
</tr>
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<tbody>
<tr>
<td>June 2007</td>
<td>42070</td>
<td>4396</td>
</tr>
<tr>
<td>September 2007</td>
<td>48876</td>
<td>4680</td>
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<tr>
<td>December 2007</td>
<td>55163</td>
<td>4968</td>
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<td>March 2008</td>
<td>61985</td>
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<tr>
<td>June 2008</td>
<td>69384</td>
<td>5376</td>
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<td>September 2008</td>
<td>77479</td>
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<tr>
<td>December 2008</td>
<td>85651</td>
<td>5538</td>
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<td>March 2009</td>
<td>93923</td>
<td>5476</td>
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<tr>
<td>June 2009</td>
<td>10236</td>
<td>5380</td>
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<tr>
<td>September 2009</td>
<td>11051</td>
<td>5346</td>
</tr>
<tr>
<td>December 2009</td>
<td>11886</td>
<td>5558</td>
</tr>
</tbody>
</table>
The sector is facing hyper competition and that Airtel is “maintaining its drive for internal efficiencies by leveraging its scale economics”. The company now has a total of 120.23 million mobile customers and operates in India, Sri Lanka (where it rolled out in 2008) and Bangladesh (with the recent Warid takeover). The operator saw its mobile user base growing 8 percent to 120,231,000 in the quarter – in India, it has 118,864,031 subscribers of its GSM services. It has a customer market share of 22.7% of the Indian wireless market as of December 31, 2009.

Post-paid customers contributed 4.7% to the overall customer base. Prepaid Churn has shot up to 6.5 percent from 4.6 percent in the previous quarter while voluntary churn from post paid customers has risen to 1 percent from 0.9 percent in September quarter.

Bharti Airtel’s revenues and net profit for the nine months ended December 31, 2007 were Rs. 19,206 crore and Rs. 4,848 crore, a growth of 46 per cent and 67 per cent over the same period was recorded in the previous year respectively.

**Decline in average revenue per user**: However, the average revenue per user (ARPU) for the company has declined by 16 per cent to Rs 358 per month from Rs 427 in 2007 when compared to the previous year. Bharti Group authorities said that it was not a cause of worry as Bharti’s business model was not based on ARPU. Average minutes of usage increased 1 per cent to 474 per subscriber per month.
Thus it is clear that Bharti Airtel has a dominant market share across the GSM subscribers in the telecom sector. Though Bharti Airtel's market share was facing competition since an aggressive entry strategy by the new telecom operators, it once again maintained its strong growth momentum in 2008 by consolidated total revenues for the quarter ended 30 September 2008 of Rs 9,020 crore that grew by 42 per cent.

Bharti had 7.99 crore subscribers, as on September 30, 2008, an increase in the total subscriber base of 57 per cent over the last year and maintained its leadership position through an improved market share of all India wireless subscribers at 24.6 per cent up from 23.4 per cent when compared to the previous year.
Enterprise services

Airtel’s national long distance infrastructure comprises of 118,337 Rkms of optical fibre, over 4,150 MPLS and SDH POPs and over 1,700 POIs with the local exchanges. Using this, it provides long distance wholesale voice and data services to 400 carrier customers. It recently launched a Far-East Connect Network to serve Asia and the Pacific; the network opens up direct connectivity between Singapore and the US via the Asia America Gateway (AAG) cable landing in Hong Kong. Airtel also built terrestrial express connectivity to neighboring countries such as Nepal and Bhutan.
Forays Into Content Delivery

Airtel announced a strategic tie-up with Arizona-based Limelight Networks to deliver content delivery network services for media companies in India, reports DomainB. The two companies will set up 2 new CDN points of presence in Mumbai and Chennai – Limelight has been fairly well established in India and this partnership will enable Airtel a smooth entry into the Indian CDN market.

CDN services are growing in popularity with 2 other large enterprises – Tata Communications and Reliance partnering with companies that offer the services. Tata Communications invested $11.5 million in BitGravity, a company also offering CDN services for interactive broadcasting in September and Reliance Globalcom tied up with NASDAQ listed Internap. The other company in India that offers similar services is Akamai.

DTH: Subscriber Base Grows By 49%

Interest in Bharti Airtel’s DTH service Digital TV is apparent with the number of DTH subscribers growing by 49% in the quarter and it now has 2 million users. It covers 5,000 towns. Bharti is one of the six players in the DTH market, with Tata Sky, Dish TV, Reliance’s BIG TV, Sun Direct and Videocon d2h.
Table 3.3

COMPARATIVE GSM MARKET SHARE (%) 2007 – 2008

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</tr>
</thead>
<tbody>
<tr>
<td>Bharti Airtel</td>
<td>33.0</td>
<td>33.2</td>
<td>33.3</td>
<td>33.5</td>
<td>33.4</td>
<td>33.6</td>
<td>33.7</td>
<td>33.9</td>
<td>34.2</td>
<td>34.4</td>
<td>34.5</td>
</tr>
<tr>
<td>Vodafone</td>
<td>24.0</td>
<td>24</td>
<td>23.9</td>
<td>23.9</td>
<td>23.9</td>
<td>24</td>
<td>24.1</td>
<td>24.2</td>
<td>24.3</td>
<td>24.3</td>
<td></td>
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<tr>
<td>BSNL/MTNL</td>
<td>21.7</td>
<td>21.5</td>
<td>21.3</td>
<td>21.1</td>
<td>21.2</td>
<td>20.8</td>
<td>20.4</td>
<td>20.0</td>
<td>19.7</td>
<td>19.4</td>
<td>19.1</td>
</tr>
<tr>
<td>Idea</td>
<td>14.9</td>
<td>15</td>
<td>15</td>
<td>15.1</td>
<td>15.2</td>
<td>15.3</td>
<td>15.5</td>
<td>15.5</td>
<td>15.4</td>
<td>15.1</td>
<td>15.1</td>
</tr>
<tr>
<td>Others</td>
<td>6.4</td>
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<td>6.5</td>
<td>6.6</td>
<td>6.7</td>
<td>6.9</td>
</tr>
</tbody>
</table>

From the above table it is clear that Bharti Airtel occupies dominant market share with 33 per cent followed by Vodafone with 24 per cent BSNL with 21.7 per cent Idea with 14.9 per cent and others with 6.4 per cent. Over the year as on September 2008 it had increased to 34.5 per cent in case of Bharti Airtel, Vodafone increased to 24.3 per cent BSNL decreased to 19.1 per cent Idea increased to 15.1 per cent and other showed a slight increase by 0.50 per cent. It is evident thus except BSNL, all other service providers here succeeded in increasing their market share. In particular Bharti Airtel emerged as a market leader by retaining predominant market share.

**BHARTI VALUES:**

**Inno-venturing:**

The company will generate and implement entrepreneurial and innovative ideas, which will continuously create new growth engines.

**Customer First:**

The company is committed to deliver service beyond the expectations of customer. Its quality of customer responsiveness clearly differentiates it from others.
Performance Culture:

The company benchmarks its processes and performance against excellent standards. Company distinguishes between performers and non-performers by valuing achievement at the individual as well as the team level. It has a culture of actively encouraging feedback, learning and ideas.

Valuing Partnership:

Company is committed to build exemplary relationship with its partners, which stand on the principles of mutual trust and mutual growth.

Valuing people:

Company nurtures an environment where people are respected and their uniqueness is valued. Company believed that people are its key differentiators.

Responsible Corporate Citizenship:

The company is committed to make a positive and proactive contribution to the community and will contribute to and abide by environmental and legal norms.

Ethical Practices:

Company will uphold the highest ethical standards in all internal and external relationship. It will not allow misuse or misrepresentation of any kind.

AIRTEL:

Airtel Head Office is in Province, Mahe. Airtel also has showrooms in Victoria, Mahe and Grand Ansee, Praslin that serve as one-stop shops for customers. Airtel provides the whole range of
telecom services, like GSM Mobile Services, Airtel magic Prepaid mobile cards available at a string of outlets International Roaming with 140 operators in 61 countries, a host of Value Added Services, Fixed Cellular services and a fast growing Fixed Line network as well.

Bharti Airtel Limited being a leading Indian Telecom services provider had already crossed 20,925,948 million customers by March 31, 2006.

Airtel Logo:

The Airtel logo is a strong, contemporary and confident symbol for a brand that is always ahead of the rest, it is specially drawn work mark.

The company has three strategic business units:

- Mobile Services
- Broadband & Telephone Services
- Enterprise Services

Mobile Services:

This business unit constitutes the largest portion of its business, both in terms of total customers and total revenues. Bharti Airtel offers mobile services in all 23 telecom circles of India and is therefore the first private mobile services operator to have an all India present. Bharti Airtel’s mobile customer base accounts for a 21.8% share of the overall wireless market as on March 31, 2006. The company has a presence in 3,778 census towns and in 80,687 non-census towns and villages, covering an addressable population of 40% of the total population.
Broadband and Telephone Services:

Bharti Airtel provides broadband and telephone services in 90 cities across India. As on March 31, 2006, they had 1,346,740 B&TS customers, of whom 315,729 were also subscribing to DSL services.

Enterprise Services of Bharathi Airtel:

The enterprise services of business Airtel's unit has two sub-units:

- Carriers
- Corporate

Enterprise Services - Carriers:

Bharti Airtel complements its mobile, broadband and telephone services with national and international long distance services. The company has over 32,900 kilometers of fiber on its national long distance network. For international connectivity to the east it has a submarine cable that provides a direct link from Chennai to Singapore. For international connectivity to the West Bharti Airtel is jointly with 15 other global telecom operators, a founding member of the South East Asia Western Europe-4 consortium that has commissioned the fourth generation cable system. SEA-ME-WE-4 supports telephony, internet, multimedia and various other broadband and data services.

Enterprise Services – Corporate:

This business unit provides secure scalable seamless reliable and customized integrated voice and data communications solutions to corporate customers and to small and medium size enterprises though a single window and dedicated relationship management.
Growth of Bharathi Airtel Company:

The company has grown from being a single-circle mobile services entity in 1995, to one of the largest integrated private telecom players with an all-India mobile footprint, through a combination of organic and inorganic growth. The strong and sustained growth demonstrated over the years is testimony to the Company’s commitment to being a customer focused long-term telecom player.

Bharti Airtel continues to capitalize on the growth opportunities in the Indian telecommunications sector to achieve its vision.

Bharti Airtel was presented with the following awards viz.,

- Best CEO telecommunications Asia in the Best CEO in the region category by sell side view in a survey conducted by institutional investor and
- Best CEO India in the country category by sell side view in a survey conducted by institutional investor further more the company.

Value Added Services:

Airtel offers a host of Value Added Services. These services are subdivided into categories that are mentioned below:

Voice Based Services

Voice mail, Always on, Voice Messaging Dial a Services, SMS based Services, Text messaging, Information Services, Send and
Receive email through SMA, Mobile Banking, SMS Chat, POP3 email, Airtel Messenger, Ring tone and log downloads, Data Services, Mobile Internet, Fax & Data Services, GPRS, “Internet on the move”, etc.

Here is what you need to get cyber mobile; some of the features you can enjoy with GPRS, Call management services, Call line Identification (CLIP), Call lien Identification Restriction (CLIPR)

SERVICES OFFERED BY THE COMPANY

Airtel Prepaid

Bharti Enterprises, India’s leading integrated telecom service provider gives Airtel Prepaid Ready cellular card and recharge cards, which are available, all over India at their retail outlets. Airtel gives maximum benefits as it has no rental, no bills and no deposits. It gives clear communication all over the places in Karnataka.

- **Total Cost control:**

  Customers can enjoy the liberty of total cost control with Airtel Pre-paid. Recharge as much as they feel the need.

- **No Rentals and No deposits**

  Customers can buy an Airtel prepaid card without having to pay any rental. Airtel prepaid comes without having to pay hefty deposits.
• **STD/ISD facility till the last rupee**

STD/ISD facility allows making long distance calls in India and overseas from cellular phone.

• **Instant Balance Inquiry**

Instant checking facility of talk-time by calling toll-free number

• **60 – second pulse**

Airtel provides its customers with a 60 – second pulse rate.

• **Instant Recharge**

Customer can avail of instant recharge on Airtel prepaid card with just a few simple steps.

• **24-hour recharge facility**

With company’s round-the-clock recharge facility, ‘recharge Airtel prepaid card any time any where.

• **Caller Line Identification**

Call Line identification gives the power to know the phone number of the calling party even before the call is answered, thus giving the choice of either reject or take the call. It provides that added advantage of saving the incoming number directly in the Handset phone Book. So that the next time when a customer wants to call the same person, the number need not have to retyped. He can use simply the phone book.
• **Call Direct, Call Wait**

There are also special services like call waiting, call on hold and call divert-all with Airtel prepaid card.

• **Short Messaging Service (SMS)**

With Airtel short messaging service (SMS), messages and jokes can be sent to friends and colleagues, anytime anywhere.

• **SMS based Information Services**

With Ariel's SMS based information services, one can get up to the minute cricket scores, order flowers as well as send courier or check daily horoscope.

• **Voice Mail Service**

Voice mail lets customer to receive messages even when the handset is switched off or when customers is outside the coverage area. Customer can listen to messages whenever he feels like, from anywhere in the world. Voice mail can store up to 75 messages.

• **Widest availability**

Airtel prepaid ready cellular cards are available all over India.

• **Handset Compatibility**

With Airtel pre-paid recharge card, it would work with all modules of GSM handsets.

• **Airtel Post paid**
Airtel postpaid connection offers enhanced full rate with distortion free high clarity voice. It provides seamless, crystal non-congested, easy accessible, network and finest 24 hours customer service facility.

- **Experience complete freedom**

Airtel welcomes to a vibrant world of unlimited opportunities. More exciting, innovative yet simple new ways to communicate, just when customer wants to, not just words by ideas, emotions and feelings to give the unlimited freedom to reach out to special people in special way.

An Airtel Post-paid customer can enjoy the following facilities:

- **Easy Billing**

  New customers have facilities to view their last 3 billing cycles and the convenience of paying Airtel bill online.

- **Call Divert, Call Hold and Call wait**

  Avail of special services like call waiting, call hold and call divert – all with Airtel postpaid connection.

- **Short Messaging Service (SMS)**

  With Airtel’s short messaging service (SMS), unlimited messages and jokes can be sent to friends and colleagues, anytime anywhere.

- **Caller Identification**
Call identification gives customer the power to know the phone number of the calling party even before call is answered, thus giving the choice to either reject or take the call. It provides the added advantage of saving the incoming number directly in the Handset Phone Book so that the next time to call the same person, there is no need to retype his number.

- **Voice Mail**

Voicemail lets to receive messages even when the handset is switched off or when customer is in outside coverage area and message can be accessed from anywhere in the world at anytime. Voice mail can store up to 75 messages, with each message of two-minute duration.

- **STD/ISD facility**

Now Airtel gives complete freedom like never before STD/ISD facility allows making long distance calls in India and Overseas from the cellular phone.

- **Roaming (National and International)**

Airtel’s roaming service allows using mobile phone to make to receive calls from almost anywhere in India and aboard.

- **Audio Conferencing by Airtel**

Instead of travelling to meet with customers and suppliers many Enterprises are saving on travel costs by using Airtel’s Audio Conferencing facility. Audio conferencing is easy ways to have multiple people participate in the same phone call together. To
avail of audio conferencing one does not need to install any expensive devices, one’s landline or mobile phone will suffice. The user has an option of either giving out a list of numbers to be dialled out, or he can be provided with a dial in number to which people call into.

Bharti Mobile Limited, Karnataka is a part of the mobile services arm of Bharti Tele-Ventures (BTVL) -- India’s leading private sector provider of integrated telecommunications services with an aggregate of 7.0 million mobile customers across the country and over 9 lakh customers in Karnataka. Airtel today provides seamless roaming spanning across 225 networks in 107 countries, 1024 cities across India and covers 151 towns in Karnataka.

Airtel has consistently set the benchmarks for the India cellular industry and redefined the business through marketing innovations, introduction of new generation value-added services and the highest standard of customer delivery. Today, Airtel offers its customers choice and superior value for money with arrange of innovative value-added service backed by excellent customer service. The company has to its credit some of the most significant milestones in the history of the Indian cellular industry.

In a survey by TRAI in March 2003 for service quality – Airtel Karnataka has been ranked Best Cellular provider in the country & is also the first operator to be bestowed the ISO certification for quality standards. Mobile services constitute the largest portion of Bharti’s business both in terms of total revenues and in terms of total customers. The company also engaged infixed-line long distance,
group data and enterprise services including VSAT and internet services.

Airtel is committed in making a positive and proactive contribution to the community, upholds the highest standards as a responsible corporate citizen, and is committed to supporting social groups engaged in helping the underprivileged and the challenged individuals of the society.

As a socially responsible corporate citizen of Karnataka and the category leader, Airtel shall always be at the forefront to support social initiatives i.e.

➢ Plans for the acoustically challenged a value proposition for hearing impaired.

➢ 5 lakh celebration ran in aid of Shakti Foundation

➢ Installation of road safety products.

**BHARTI (Airtel):**

a. Bharti Televentures is a member of the Emerging Markets Handset Development Program. This program aims to develop a low cost (below $ 40) mobile phone handset for developing countries. Motorola has developed the C114 platform for this program. Bharti is selling the C115 phone for Rs.2100 in new markets such as Orissa and UP (West). It is also giving free talk-time and SMS worth Rs.2000 along with this phone, bringing the effective payment to Rs.100.
By joining the EMH program, Bharti has gained rights to be the first user of the C114 handset in India. This allows it to provide cheap handsets to first-time mobile users who would otherwise be deterred by high handset prices. By giving a rebate in the form of talk-time, Bharti also provides an incentive to customers to opt for this handset and an Airtel connection rather than buying a second hand handset and any other connection.

b. Confidence plan: Airtel has an SMS-only plan for hearing-impaired people. This plan provides the user with 2500 discounted SMS every month.

c. Incoming Pack: This is a connection that imposed high calling charges on outgoing calls, except to one selected number. The likely customers for this connection are children whose parents want them to be reachable, but not to spend money on calling friends.

d. Easy Charge: Airtel allows prepaid customers to recharge its phone for any amount through USDD services. This not only cuts down on the costs associated with distribution vouchers, but also encourages mobile users to recharge and use their mobile phones more regularly by tapping into customers who cannot afford high value vouchers.

e. Online billing: Postpaid mobile as well as wire line telephone subscribers are able to view their bills online.
f. **VAS:** Value added services are customized across circles. Some of the services offered only by Airtel are fish prices and weather reports in Kerala, Mandi rates in Punjab, etc.,

g. **Stock Market Ticket:** Airtel provides an application for mobile phone users that provides like quotes from the BSE Sensex and also allows the user to calculate the value of her portfolio at any time.

h. Introduced co-branded credit card with ICICI Bank.

i. Provides e-mail access through Blackberry devices.

j. Set up Wi-Fi access for corporate offices coupled with DSL services.

**The Leader:**

Airtel has already implemented a balance transfer scheme between prepaid mobiles. It can easily extend this IT solution to a secure payment service. The challenge, as mentioned earlier, is to find banking or financial services company to support it in this venture. Ideal partners for this would be SBI or ICICI Bank, which have geographical reach to support a nationwide payment project.

**TELECOMMUNICATION SERVICES IN KARNATAKA – A SCENARIO**

Karnataka is one of the most progressive states in India. It has decentralized maximum decision-making powers to cities all over the state. The cities have used these powers to create suitable
infrastructure for BPO Companies. Karnataka has many Telecom companies in the sectors Telecommunication Network, Basic Telephony Services (both wire line and wireless), and networking services for telecommunication services.

- **Bangalore offers a truly wide choice of players in telecom:** The entire State is networked via optic Fiber Cables by State run BSNL as well as the private companies such as Bharti, Reliance, VSNL, Hutch, Spice and Tata Tele services.

- **BSNL as well as Tata Tele Services in parts of the State provide:** Tel last Mile access the new private companies, Bharti and Reliance provide the last Mile access directly to the customer, in all major cities in Karnataka.

- **VSNL has substantial redundancy in International Bandwidth Circuits.** For example, the International Bandwidth circuit can be accessed from Bangalore to Bombay via 3 different routes namely, Bangalore-Pune-Mumbai; Bangalore-Sholapur-Mumbaiaand Bangalore -Karwar- Mumbai.

- **Bangalore is also connected to the major submarine cables** Namely, India-UAE; SEA-ME-WE-2; FLAG; SEA-ME-WE-3 through Mumbai; SAFE and SEA-ME-WE-3 through Cochin and i2i SINGTEL through Chennai, which is a joint Televenture of Bharti Telecom. The i2i submarine cable has 8.6-terra byte capacity.
• In addition to the fiber connectivity, Bangalore offers excellent International Bandwidth via Satellite. The Software Technology Parks of India (STPI) at Bangalore presently has more than 1050 IT companies as its consumers providing them Individual Satellite Connectivity. Bangalore STPI accounts for 45 per cent of the total STPI revenues in India. Table 3.4 depicts the subscriber growth and tele-density among the A category circles. Karnataka circle scores fourth rank in terms of telecom growth as on December 31, 2005.

Table 3.4
Subscriber Growth and Tele-density as on December 31, 2005

<table>
<thead>
<tr>
<th>SNo</th>
<th>Circle</th>
<th>Population</th>
<th>Subscribers</th>
<th>Teledensity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>移动</td>
<td>固定</td>
</tr>
<tr>
<td>1</td>
<td>Maharashtra</td>
<td>108.295</td>
<td>5,654,180</td>
<td>4,734,468</td>
</tr>
<tr>
<td>2</td>
<td>Gujarat</td>
<td>55,368</td>
<td>5,235,843</td>
<td>3,293,348</td>
</tr>
<tr>
<td>3</td>
<td>Abdhra Pradesh</td>
<td>79,823</td>
<td>5,569,010</td>
<td>3,878,542</td>
</tr>
<tr>
<td>4</td>
<td>Karnataka</td>
<td>56,245</td>
<td>5,146,488</td>
<td>3,495,712</td>
</tr>
<tr>
<td>5</td>
<td>Tamil Nadu</td>
<td>66,353</td>
<td>4,729,825</td>
<td>3,279,515</td>
</tr>
</tbody>
</table>

Source: COAI News Flash, February 20, 2006)

Though Karnataka scores fourth rank as regards the subscriber strength in mobile and fixed telephone segments, the table 3.4 clearly shows that, the tele-density in Karnataka is comparable to Gujarat, which is in second position with respect to subscriber strength. Apart from Government owned service provider BSNL, the private players characterize the sector. The industry is also filled up with different
players like internet service providers (ISP), VSAT services, and last mile access providers and so on.

Cellular segment, which is currently experiencing a consolidation wave, will be key growth driver of the telecom services market in India. The market share CDMA players are growing gradually and steadily. Reliance Infocomm, which offers both CDMA and GSM services, has overtaken the GSM player Bharati to become the largest mobile player in terms of number of subscribers with legal battles behind. With the limited scope for drastic price reductions, the service operators are focusing on high-end service (wireless internet), high-end segments (corporate and broadband), quality of service (spectrum and bandwidth), upgradation of networks (More capacity and new technologies). The segments where consumers will see a biggest improvement in near future will be internet/broadband.

Main Competitors:

The competition varies across segments but the current players include state-owned operators as well as private operators, operating based on level playing filed.

<table>
<thead>
<tr>
<th>Table 3.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>The market shares of mobile telephony operators</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operator</th>
<th>Market Share (All-India) March 2003</th>
<th>Market Share (All-India) March 2004</th>
<th>Market Share (All-India) March 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bharti (Airtel)</td>
<td>24.20 %</td>
<td>19.29 %</td>
<td>21.24 %</td>
</tr>
<tr>
<td>Reliance</td>
<td>4.26 %</td>
<td>21.55 %</td>
<td>20.19 %</td>
</tr>
<tr>
<td>BSNL</td>
<td>17.78 %</td>
<td>16.41 %</td>
<td>18.10 %</td>
</tr>
</tbody>
</table>
CONCLUSION

It is clear from the foregone analysis that the Airtel company has come to stay and has been able not only to sustain its business but also its business has grown at a faster pace compared to other service providers.

Bharti Airtel has crossed 60 million customer mark and added its last 10 million customers across mobile, "To be amongst the top global telcos is a significant achievement not only for Airtel but also for the Indian telecom industry. This landmark once again underlines the strength of India’s telecom story and Bharti Airtel is proud to have played a pioneering role in providing affordable telecom services to millions of people across every corner of the country,"

In recent Bharti Airtel has recorded phenomenal customer growth and this is a testimony to the depth and width of Airtel network as well as its focus on providing affordable services to all. The company is fully committed to taking Airtel network deeper into rural India.